



EFG EUROBANK ERGASIAS S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2008

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Company Registration No: 6068/06/B/86/07

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	Three months ended		
	31 March		
	2008	2007	
	€ million	€ million	
Net interest income	566	445	
Net banking fee and commission income	149	126	
Net insurance income	12	14	
Income from non banking services	7	5	
Dividend income	4	2	
Net trading income/(loss)	(4)	17	
Gains less losses from investment securities	40	38	
Other operating income	12	3	
Operating income	786	650	
Operating expenses	(375)	(301)	
Impairment losses on loans and advances	(127)	(91)	
Profit from operations	284	258	
Share of results of associates	(8)	1	
Profit before tax	276	259	
Income tax expense	(56)	(52)	
Profit for the period	220	207	
Net profit for the period attributable to minority interest	5	3	
Net profit for the period attributable to shareholders	215	204	
	Note	€	€
Earnings per share			
- basic	6	0.40	0.41
- diluted	6	0.40	0.41

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements

	Note	31 March 2008 €million	31 December 2007 € million
ASSETS			
Cash and balances with central banks		2,847	2,732
Loans and advances to banks		4,878	4,577
Financial instruments at fair value through profit or loss		756	960
Derivative financial instruments		856	738
Loans and advances to customers		49,075	45,638
Available-for-sale investment securities		9,632	10,477
Held-to-maturity investment securities		1,317	618
Investments in associated undertakings		38	46
Property, plant and equipment		1,144	1,120
Intangible assets		688	735
Other assets		1,004	748
Total assets		72,235	68,389
LIABILITIES			
Due to other banks		2,106	2,012
Repurchase agreements with banks		10,629	10,754
Derivative financial instruments		1,354	1,050
Due to customers		39,105	36,151
Debt issued and other borrowed funds	8	11,757	11,238
Other liabilities		2,201	1,825
Total liabilities		67,152	63,030
EQUITY			
Share capital	9	1,413	1,432
Share premium	9	1,208	1,325
Other reserves		1,377	1,495
Ordinary shareholders' equity		3,998	4,252
Preferred securities	11	760	777
Ordinary and Preferred shareholders' equity		4,758	5,029
Minority interest		325	330
Total		5,083	5,359
Total equity and liabilities		72,235	68,389

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements

	Attributable to ordinary shareholders of the Bank					Preferred securities €million	Minority interest €million	Total €million
	Share capital €million	Share premium €million	Special reserves €million	Retained earnings €million	Total €million			
	Balance at 1 January 2007	1,242	176	991	248			
Cash flow hedges								
- net changes in fair value, net of tax	-	-	0	-	0	-	-	0
- transfer to net profit, net of tax	-	-	(0)	-	(0)	-	-	(0)
Available-for-sale securities								
- net changes in fair value, net of tax								
• bonds	-	-	(10)	-	(10)	-	0	(10)
• equities and equivalents	-	-	35	-	35	-	-	35
- transfer to net profit on disposal, net of tax								
• bonds	-	-	(7)	-	(7)	-	-	(7)
• equities and equivalents	-	-	(30)	-	(30)	-	-	(30)
- transfer to net profit from fair value hedges, net of tax								
• bonds	-	-	14	-	14	-	-	14
Currency translation differences	-	-	(8)	-	(8)	-	0	(8)
Net income/(expense) recognised directly in equity	-	-	(6)	-	(6)	-	0	(6)
Profit for the period	-	-	-	204	204	-	3	207
Total recognised income for the three months ended 31 March 2007	-	-	(6)	204	198	-	3	201
Acquisitions/Changes in participating interests in subsidiary and associated undertakings	-	-	-	(17)	(17)	-	(1)	(18)
Purchase of preferred securities	-	-	-	-	-	(4)	-	(4)
Sale of preferred securities	-	-	-	-	-	3	-	3
Preferred securities' dividend paid	-	-	-	(16)	(16)	-	-	(16)
Dividends paid by subsidiaries attributable to minority interest	-	-	-	-	-	-	(4)	(4)
Employee share option scheme:								
- Value of employee services	-	-	2	-	2	-	-	2
Purchase of treasury shares	(6)	(51)	-	-	(57)	-	-	(57)
Sale of treasury shares	26	166	33	-	225	-	-	225
	20	115	35	(33)	137	(1)	(5)	131
Balance at 31 March 2007	1,262	291	1,020	419	2,992	785	179	3,956
Balance at 1 January 2008	1,432	1,325	1,160	335	4,252	777	330	5,359
Cash flow hedges								
- net changes in fair value, net of tax	-	-	(15)	-	(15)	-	-	(15)
- transfer to net profit, net of tax	-	-	(2)	-	(2)	-	-	(2)
Available-for-sale securities								
- net changes in fair value, net of tax								
• bonds	-	-	10	-	10	-	(1)	9
• equities and equivalents	-	-	(103)	-	(103)	-	-	(103)
- transfer to net profit on disposal, net of tax								
• bonds	-	-	(20)	-	(20)	-	-	(20)
• equities and equivalents	-	-	(10)	-	(10)	-	-	(10)
- transfer to net profit from fair value hedges, net of tax								
• bonds	-	-	(71)	-	(71)	-	-	(71)
Currency translation differences	-	-	(113)	-	(113)	-	(3)	(116)
Net income/(expense) recognised directly in equity	-	-	(324)	-	(324)	-	(4)	(328)
Profit for the period	-	-	-	215	215	-	5	220
Total recognised income for the three months ended 31 March 2008	-	-	(324)	215	(109)	-	1	(108)
Acquisitions/Changes in participating interests in subsidiary and associated undertakings	-	-	-	-	-	-	0	0
Purchase of preferred securities	-	-	-	-	-	(18)	-	(18)
Sale of preferred securities	-	-	-	-	-	1	-	1
Preferred securities' dividend paid	-	-	-	(11)	(11)	-	-	(11)
Dividends paid by subsidiaries attributable to minority interest	-	-	-	-	-	-	(6)	(6)
Employee share option scheme:								
- Value of employee services	-	-	3	-	3	-	-	3
Purchase of treasury shares	(20)	(123)	-	-	(143)	-	-	(143)
Sale of treasury shares	1	6	(1)	-	6	-	-	6
	(19)	(117)	2	(11)	(145)	(17)	(6)	(168)
Balance at 31 March 2008	1,413	1,208	838	539	3,998	760	325	5,083
	Note 9	Note 9				Note 11		

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements

	Note	Three months ended 31 March	
		2008 € million	2007 € million
Cash flows from operating activities			
Interest received and net trading receipts		1,040	828
Interest paid		(479)	(402)
Fees and commissions received		216	146
Fees and commissions paid		(63)	(16)
Other income received		14	8
Cash payments to employees and suppliers		(244)	(217)
Income taxes paid		(3)	(5)
Cash flows from operating profits before changes in operating assets and liabilities		481	342
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		123	300
Net (increase)/decrease in financial instruments at fair value through profit or loss		(156)	47
Net (increase)/decrease in loans and advances to banks		(118)	12
Net (increase)/decrease in loans and advances to customers		(3,232)	(1,846)
Net (increase)/decrease in derivative financial instruments assets		101	302
Net (increase)/decrease in other assets		(25)	(43)
Net increase/(decrease) in due to other banks and repos		(53)	(900)
Net increase/(decrease) in due to customers		2,788	1,365
Net increase/(decrease) in derivative financial instruments liabilities		(101)	(202)
Net increase/(decrease) in other liabilities		68	(303)
Net cash used in operating activities		(124)	(926)
Cash flows from investing activities			
Purchases of property, plant and equipment		(59)	(68)
Proceeds from sale of property, plant and equipment		4	9
Purchases of available-for-sale investment securities		(1,612)	(2,062)
Proceeds from sale of available-for-sale investment securities		2,234	2,118
Purchases of held-to-maturity investment securities		(822)	-
Proceeds from redemption of held-to-maturity investment securities		22	-
Acquisition of subsidiary undertakings net of cash acquired		(4)	(204)
Proceeds from sale of associated undertakings		5	-
Dividends from investment securities and associated undertakings		0	0
Net contributions by minority interest		(6)	(0)
Net cash used in investing activities		(238)	(207)
Cash flows from financing activities			
Proceeds from debt issued and other borrowed funds	8	3,495	3,613
Repayments of debt issued and other borrowed funds	8	(2,996)	(2,475)
Purchases of preferred securities	11	(18)	(4)
Proceeds from sale of preferred securities	11	1	3
Preferred securities' dividend paid		(11)	(16)
Purchases of treasury shares		(143)	(57)
Proceeds from sale of treasury shares		7	225
Net cash from financing activities		335	1,289
Effect of exchange rate changes on cash and cash equivalents		(43)	(3)
Net increase/(decrease) in cash and cash equivalents		(70)	153
Cash and cash equivalents at beginning of period		4,690	3,563
Cash and cash equivalents at end of period		4,620	3,716

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements

1. General information

EFG Eurobank Ergasias S.A. (the "Bank") and its subsidiaries (the "Group") are active in retail, corporate and private banking, asset management, insurance, treasury, capital markets and other services. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Group operates mainly in Greece and in Central, Eastern and Southeastern Europe (New Europe).

These condensed consolidated interim financial statements were approved by the Board of Directors on 5 May 2008.

2. Basis of preparation of condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read in conjunction with the Group's published consolidated annual financial statements for the year ended 31 December 2007. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

3. Principal accounting policies

The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as those in the published consolidated annual financial statements for the year ended 31 December 2007.

4. Critical accounting estimates and judgements in applying accounting policies

In preparing these condensed consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published consolidated annual financial statements for the year ended 31 December 2007.

5. Business segments

The Group is organised into five main business segments:

- Retail - incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate - incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Wealth Management - incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund and investment savings products, and institutional asset management.
- Global and Capital Markets - incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, specialised financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- New Europe - incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Poland, Turkey and Ukraine.

Other operations of the Group comprise mainly of investing activities, including property management and investment, electronic commerce and the management of unallocated capital. Transactions between the business segments are on normal commercial terms and conditions. With the exception of Greece no other individual country contributed more than 10% of consolidated income.

	For the three months ended 31 March 2008							Total €million
	Retail €million	Corporate €million	Wealth Management €million	Global & Capital Markets €million	Other €million	New Europe €million	Elimination center €million	
External revenue	326	94	50	77	12	227	-	786
Inter-segment revenue	18	4	(9)	(6)	9	(3)	(13)	-
Total revenue	344	98	41	71	21	224	(13)	786
Operating expenses	(154)	(29)	(16)	(17)	(13)	(159)	13	(375)
Impairment losses on loans and advances	(86)	(6)	(0)	(1)	-	(34)	-	(127)
Profit from operations	104	63	25	53	8	31	-	284
Profit before tax	104	63	25	53	(1)	32	-	276
Minority interest	-	-	(0)	-	(3)	(3)	-	(6)
Profit before tax attributable to shareholders	104	63	25	53	(4)	29	-	270
Income tax expense								(55)
Net profit attributable to shareholders								215

5. Business segments (continued)

	For the three months ended 31 March 2007							Total € million
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	New Europe € million	Elimination center € million	
External revenue	300	76	65	90	8	111	-	650
Inter-segment revenue	25	4	(15)	(11)	3	0	(6)	-
Total revenue	325	80	50	79	11	111	(6)	650
Operating expenses	(142)	(25)	(15)	(16)	(5)	(104)	6	(301)
Impairment losses on loans and advances	(72)	(8)	-	-	-	(11)	-	(91)
Profit from operations	111	47	35	63	6	(4)	-	258
Profit before tax	111	47	35	63	7	(4)	-	259
Minority interest	-	-	-	-	(3)	-	-	(3)
Profit before tax attributable to shareholders	111	47	35	63	4	(4)	-	256
Income tax expense								(52)
Net profit attributable to shareholders								204

6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. In order to adjust the weighted average number of shares for the share options a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

	€ million	Three months ended 31 March	
		2008	2007
Net profit for period attributable to ordinary shareholders (after deducting dividend attributable to preferred securities holders)	206	193	
Weighted average number of ordinary shares in issue	Number of shares	517,805,095	466,886,532
Weighted average number of ordinary shares for diluted earnings per share	Number of shares	518,944,043	468,335,806
Basic earnings per share	€	0.40	0.41
Diluted earnings per share	€	0.40	0.41

Basic and diluted earnings per share for the period 1 January 2007 to 31 March 2007 have been adjusted taken into account the distribution of free shares approved by the Annual General Meeting held on 3 April 2007 and the Extraordinary General Meeting held on 9 November 2007, and the rights issue that was completed on 14 September 2007.

7. Shares in subsidiary undertakings

(a) Eurobank EFG Cyprus Ltd

In February 2008, the Central Bank of Cyprus approved the conversion of the Cyprus branch into a subsidiary. The conversion was completed in March 2008.

(b) Representative office, Russia

In March 2008, the Group obtained the approval from Russia's Central Bank to establish and operate a representative office in Moscow.

8. Debt issued and other borrowed funds

During the three months ended 31 March 2008, the following new issues and repayments/repurchases of debt issued and other borrowed funds took place :

	New issues €million	Repayments/ Repurchases €million
Short-term debt		
Commercial Paper (ECP)		
- fixed rate	3,051	(2,447)
Long-term debt		
Medium-term notes (EMTN)		
- fixed rate	43	(67)
- floating rate	401	(332)
Securitised		
- floating rate	-	(150)
Total	3,495	(2,996)

Post balance sheet event

In April 2008, the Group, through its subsidiary EFG Hellas (Cayman Islands) Limited, established a new US Medium Term Note Programme (US MTN Programme) amounting to US\$ 2 billion.

9. Ordinary share capital, share premium and treasury shares

The par value of the Bank's shares is € 2.75 per share. All shares are fully paid. The movement of share capital, share premium and treasury shares is as follows:

	Ordinary share capital €million	Treasury shares €million	Net €million	Share premium €million	Treasury shares €million	Net €million
At 1 January 2008	1,443	(11)	1,432	1,412	(87)	1,325
Purchase of treasury shares	-	(20)	(20)	-	(123)	(123)
Sale of treasury shares	-	1	1	-	6	6
At 31 March 2008	1,443	(30)	1,413	1,412	(204)	1,208

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2008	524,945,638	(4,130,706)	520,814,932
Purchase of treasury shares	-	(7,360,759)	(7,360,759)
Sale of treasury shares	-	287,501	287,501
At 31 March 2008	524,945,638	(11,203,964)	513,741,674

Post balance sheet events

In April 2008, the Annual General Meeting and the Repeat Annual General Meeting approved the following:

- the acquisition of treasury shares for up to 5% of the Bank's total shares in issue at any time, through the establishment of a share acquisition program, in order to optimise on a medium and long term basis the Group's equity, profits per share, dividends per share and capital adequacy ratios, as well as for use in a possible acquisition. The program expires in twenty four months (April 2010); the shares may be acquired within the price range of the nominal value (currently € 2.75) and € 34 per share.
- the distribution of 1,400,000 free shares to employees in May 2008.
- the increase of the share capital of the Bank by up to € 42 million through the reinvestment of the final dividend for the year 2007 and up to € 70 million through the reinvestment of dividends for the year 2008. The final dividend for the year 2007 will be paid on 12 May 2008.
- the formation of a special reserve of € 3.3 million to enable the 2010 Annual General Meeting to distribute up to 1,200,000 free shares to strong performers among employees. The distribution will be possible only if profitability targets set for 3 years are met or exceeded.

10. Share options

The Group grants share options to executive directors, management and employees. All options are equity-settled and may be exercised wholly or partly at their owners' option provided that the vesting requirements are met.

Within the umbrella share options programme approved by the Annual General Meeting in April 2006, the Board of Directors will issue stock options on 2,600,000 shares to executive directors, management and employees with a strike price of € 10 per share. The options may be exercised from December 2010 to December 2013 only if the holders are still employed by the Group.

11. Preferred securities

The movement of preferred securities issued by the Group through its Special Purpose Entity, EFG Hellas Funding Limited, is as follows:

	Series A €million	Series B €million	Series C €million	Total €million
At 1 January 2008	184	397	196	777
Purchase of preferred securities	(17)	-	(1)	(18)
Sale of preferred securities	0	-	1	1
At 31 March 2008	167	397	196	760

The rate of preferred dividends for the Tier 1 Issue series A has been determined to 4.45% for the period March 18, 2008 to March 17, 2009.

As at 31 March 2008, the dividend attributable to preferred securities holders amounted to € 9.4 million (31 March 2007: € 10.5 million).

12. Contingent liabilities and capital expenditure commitments

As at 31 March 2008 the Group's contingent liabilities in terms of guarantees and standby letters of credit amounted to € 2,688 million (31 December 2007: € 2,522 million) and the Group's documentary credits amounted to € 211 million (31 December 2007: € 145 million).

The Group's capital commitments in terms of property, plant and equipment amounted to € 75 million (31 December 2007: € 52 million).

13. Post balance sheet events

Details of significant post balance sheet events are provided in the following notes:

Note 8 - Debt issued and other borrowed funds

Note 9 - Ordinary share capital, share premium and treasury shares

Note 16 - Dividends

14. Acquisition of subsidiariesAdjustments to the provisional values of previous year acquisitions

With respect to the acquisition of 98.23% of the share capital of Eurobank Tekfen A.S. effected and presented provisionally in 2007, total goodwill has decreased by € 49.2 million as a result of adjustments that decreased the provisional values of net assets acquired by € 2 million, and adjustments, related to the valuation of the put option, that decreased total acquisition cost by € 51 million.

15. Related party transactions

The Bank is a member of the EFG Group, which consists of banks and financial services companies, the ultimate parent company of which is EFG Bank European Financial Group, a credit institution based in Switzerland. All voting rights at the general meetings of EFG Bank European Financial Group are held by the Latsis family. The EFG Group controls 41.8% of the Bank. The remaining shares are held by institutional and retail investors.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arms length basis. These include loans, deposits, letters of guarantee and derivatives. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties. The volumes of related party transactions and outstanding balances at the period/year-end are as follows:

	31 March 2008			31 December 2007		
	EFG Group		Key management personnel	EFG Group		Key management personnel
	€ million	€ million	Other € million	€ million	€ million	Other € million
Loans and advances to banks	0	-	-	0	-	-
Available for sale investment securities	61	-	30	56	-	43
Loans and advances to customers	89	19	42	24	16	38
Other assets	-	0	1	-	0	3
Due to other banks	108	-	-	88	-	-
Due to customers	258	57	116	2	38	118
Derivative financial instruments liabilities	-	2	-	-	2	-
Other liabilities	1	-	0	2	-	0
Letters of guarantee issued	385	-	3	386	-	3
Letters of guarantee received	411	-	-	411	-	-
	three months ended 31 March 2008			three months ended 31 March 2007		
Net Interest income/(expense)	(2)	(0)	(0)	(6)	(0)	(1)
Net banking fee and commission income/(expense)	0	-	1	0	0	0
Other operating income / (expense)	(1)	-	(0)	(1)	-	(0)

Key management personnel includes directors and key management personnel of the Group and its parent, and their close family members.

No provisions have been recognised in respect of loans given to related parties (2007: Nil)

Key management compensation (including directors)

Key management personnel are entitled to compensation in the form of short-term employee benefits totalling € 3.6 million (31 March 2007: € 3.2 million) out of which € 0.7 million (31 March 2007: € 1.1 million) are share-based payments, and in the form of long-term employee benefits totalling € 0.8 million (31 March 2007: € 0.7 million) out of which € 0.7 million (31 March 2007: € 0.6 million) are share-based payments.

16. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting.

The Annual General Meeting on 8 April 2008 approved a total dividend in respect of 2007 of € 0.82 per share, amounting to € 425 million. An interim dividend of € 0.32 per share amounting to € 166 million had been paid in December 2007 in accordance with the decision of the Extraordinary General Meeting on 9 November 2007. The remaining final dividend of € 0.50 per share amounting to € 259 million will be paid in May 2008 and will be accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2008 to 30 June 2008.

Athens, 5 May 2008

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